

**Memorandum of Understanding
Between The Valley of the Sun United Way, City of Tempe and the Arizona
Department of Health Services**

C2010-10

This Memorandum of Understanding ("MOU") reflects the mutual intention and understanding of the Valley of the Sun United Way ("United Way"), a 501(c)(3) organization located in Arizona, the City of Tempe, Arizona, a municipal corporation and the Arizona Department of Health Services, a state agency (collectively the "Parties") regarding a collaborative relationship to develop and implement a permanent supportive housing pilot "Pilot").

Purpose

The goal of the Pilot is to create approximately 35 units of supportive housing serving Title XIX eligible long-term and chronically homeless adults in the City of Tempe and to assess the Pilot's effectiveness. Supportive housing is intended to be permanent, independent, and affordable housing combined with on-site or visiting case management, health, support, and employment services.

The purpose of the Pilot is to attempt to address persistent homelessness, to reduce high-cost emergency and crisis services, and to encourage improved health, self-reliance and employment by drawing on and combining the particular expertise of each Party. In addition to raising money, United Way monitors needs, identifies critical social issues, and brings the right people together to advance the common good. Often United Way partners with non-profits, businesses and government to educate the public about key social issues. The City of Tempe, through its Housing Services Division, will administer Homeless Prevention and Rapid Rehousing (HPRP) funding to pay up to 18 months of housing costs for pilot tenants. The State of Arizona Department of Health Services, Division of Behavioral Health Services, is a contractor with the Arizona Health Care Cost Containment System (AHCCCS) that provides behavioral health services to eligible enrollees of the AHCCCS program who are participating in the federal Title XIX and XXI programs. The Parties will utilize their expertise to accomplish the goal and carry out the purpose of the Pilot.

Cooperative Actions

The Parties shall;

- Secure the endorsement and/or formal approval for this Memorandum of Understanding by their governing authority,
- Support and work to finance or deliver housing and needed services to chronically homeless individuals, or support and work with other agencies and teams that finance or deliver health care, mental health and substance use treatment, vocational, and/or similar services to community residents in each jurisdiction participating in the Pilot.
- Support and work to develop and implement strategies which more effectively meet the needs of the chronically homeless, including integrating supportive services and supportive housing.
- Comply with all applicable federal, state and local laws, rules and regulations including the Health Insurance Portability and Accountability Act especially when a staffing is

convened concerning the supportive services to be delivered to Pilot participants. All non-Parties involved in the staffing, directly or indirectly, shall also be advised of and separately and in writing agree to comply with all applicable federal, state and local laws, rules and regulations including the Health Insurance Portability and Accountability Act and especially all applicable privacy laws.

- Support and work to analyze the cost-effectiveness of supportive services and permanent housing that targets the chronically homeless, while absolutely protecting the confidentiality and privacy rights of individuals.
- The Parties will also work with the Valley of the Sun United Way Homeless Advisory Board, to provide advice on the effectiveness of the Pilot during the Pilot implementation. The Advisory Board, the Tempe City Council or the State of Arizona may make a reasonable request that the Parties address any Party governing body about the supportive housing initiative Pilot.

Future Actions

- United Way shall provide its expertise in health and human services, including convening partners as needed, and assisting with marketing, fund development, evaluation, and assessment of the Pilot.
- The City of Tempe Housing Services Department shall allocate and administer Homeless Prevention and Rapid Rehousing (HPRP) funds for up to 35 units of scattered site housing located within the boundaries of Tempe, Arizona and only based on HPRP fund availability. The City of Tempe shall comply with, among others, all HPRP rules and regulations which include, among other things, an eligibility limit of 18 months for HPRP assistance. The City of Tempe Housing Services Department shall give preference to HPRP eligible individuals identified within the boundaries of Tempe, Arizona.
- The Arizona Department of Health Services shall provide services through contract with Magellan and their contract with the PNO for Title XIX eligible SMI Pilot participants including provision of ACT team(s) through its contract with Magellan and its contract with the PNO located in the City of Tempe, Arizona for Pilot participants and, in conjunction with the ACT team, identifying and outreaching to homeless individuals.

Scope of Understanding

- Each Party agrees that it shall support actions of each other Party that are consistent with this Memorandum of Understanding and upon request of another Party shall state such support in writing.
- Each Party agrees that all actions taken in furtherance of this Memorandum of Understanding shall comply with all applicable laws, rules, and regulations.
- Each Party agrees that the Pilot shall establish and maintain written policies, procedures, and controls that comply with all applicable federal or state statutes and regulations governing the use and disclosure of confidential medical information and records, including provisions that medical information, names, or other information

regarding any person applying for, claiming or receiving services through this Memorandum of Understanding or any employer of such person, shall not be made available for any political or commercial purpose and information received from a federal or state agency pursuant to federal or state law, shall be disclosed only as provided by federal or state law.

- Joinder in and ratification of this Memorandum of Understanding shall not imply concurrence of a Party in any matter not covered by this Memorandum of Understanding.
- If a Party believes that another Party has violated this Memorandum of Understanding, it shall contact the designated representative of the other Parties to discuss the issue. The Parties shall attempt in good faith to resolve the question. If no agreement is reached, this Memorandum of Understanding shall automatically terminate.
- In the event of a material violation of this Memorandum of Understanding, the non-violating Parties shall be relieved of their obligations hereunder. Violation of this Memorandum of Understanding shall not give any person or entity, whether or not a Party to this Memorandum of Understanding, a right to damages, indemnity, injunctions, or other judicial remedies.
- A Party and its officials, employees, agents and affiliates (by operation of law or otherwise) release, discharge and covenant not to sue or to cause others to sue the other Parties and their officials, employees, agents and affiliates (by operation of law or otherwise) for or on account of any and all claims, actions, inactions, causes of action, suits, debts, sums of money, accounts, covenants, contracts, agreements (express or implied, oral or written), representations, warranties, damages, injuries, liabilities and demands whatsoever, in law, in equity, in arbitration, in an administrative proceeding or otherwise, whether known or unknown, latent or obvious, contingent or fixed, liquidated or unliquidated which they ever had, now have or hereafter may have for, upon or by reason of any act, inaction, omission, transaction, matter, cause, commission, defect (whether known or unknown, latent or apparent) and/or thing arising out of, in connection with or relating to this Memorandum of Understanding.
- Both the State of Arizona and its Department of Health Services and the City of Tempe and its Department of Housing Services are subject to Arizona public records law, A.R.S. § 39-101 *et seq.* among other laws.
- At any time while this Memorandum of Understanding is in effect, any Party may request modifications. All parties must ratify in writing any proposed modification and all provisions not explicitly modified will remain in effect.
- Any Party may terminate this Memorandum of Understanding by written notification of termination to the other Parties.
- The Parties shall support and work toward the goals set forth in this Memorandum of Understanding for a period of three (3) years from the Effective Date which is January 7, _____, 2010.

[SIGNATURE PAGE TO FOLLOW]

VALLEY OF THE SUN UNITED WAY:

Valley of the Sun United Way, a 501(c)(3) corporation

By: 

Name: Merl E. Waschler

Its: President & CEO

Date: January 6, 2010

ARIZONA DEPARTMENT OF HEALTH SERVICES:

Arizona Department of Health Services, a state agency

By: 

Name: Christine Ruth

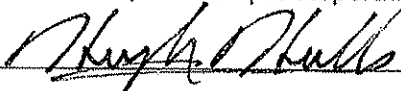
Its: Acting Chief Procurement Officer

Arizona Department of Health Services

ADHS LOA Number: AGR2010-008

Date: January 6, 2010

CITY OF TEMPE, a municipal corporation


By: 

Name: Hugh Hallman

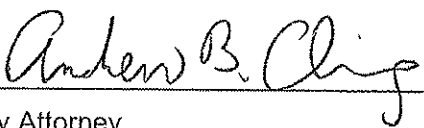
Its: Mayor

Date: January 7, 2010

ATTEST:


City Clerk

APPROVED AS TO FORM:


City Attorney

RESOLUTION NO. 2010.05

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMPE,
ARIZONA, APPROVING A MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF TEMPE, THE VALLEY OF THE SUN UNITED
WAY AND THE ARIZONA DEPARTMENT OF HEALTH SERVICES.**

WHEREAS, Congress has authorized appropriations for the American Recovery and Reinvestment Act of 2009 (ARRA 2009) for the disbursement of funds for Homeless Prevention and Rapid Re-Housing (HPRP); and,

WHEREAS, the City of Tempe received an allocation of \$661,447 in HPRP funds; and,

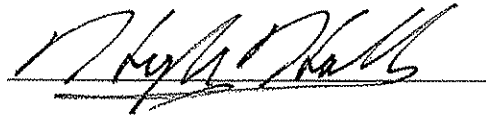
WHEREAS, the City of Tempe, in partnership with the Valley of the Sun United Way and the Arizona Department of Health Services, have agreed to develop and implement a pilot project 35 units of scattered site permanent supportive housing for Tempe chronically homeless individuals;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, as follows:

That the Tempe City Council supports the use of awarded ARRA 2009 HPRP funds for investment in a pilot project of 35 scattered site units of permanent supportive housing.


That the Tempe City Council authorizes the Mayor to enter into the Memorandum of Understanding on behalf of the City of Tempe.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, this 7th day of January, 2010.



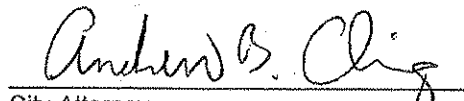
Mayor

ATTEST:



City Clerk

APPROVED AS TO FORM:



City Attorney

81105

CONTRACT NO. KR97-2/22-ALS

INTERGOVERNMENTAL AGREEMENT
BETWEEN THE
CITY OF PHOENIX, ARIZONA
AND THE

ARIZONA DEPARTMENT OF HEALTH SERVICES

NO. 221
Filed with the Secretary of State
Date Filed: 12/15/97
Patricia Bayless
Secretary of State
By: Wick J. Summers

This Intergovernmental Agreement ("Agreement") is entered into by and between the City of Phoenix ("City") and the Arizona Department of Health Services ("Department").

TITLE. LOCAL ALCOHOLISM RECEPTION CENTERRECITALS

A. Whereas, the City of Phoenix and the Arizona Department of Health Services have jointly provided a Local Alcoholism Reception Center ("LARC") for emergency alcoholism treatment pursuant to the provisions of Article 2, Chapter 18 Title 36, Arizona Revised Statutes; and,

B. Whereas, the parties agreed that the establishment, support, and maintenance of a LARC is a joint responsibility of the State, Maricopa County, and the City of Phoenix, and the operation of the facility will benefit residents of each party; and,

C. Whereas, the Department is authorized to enter into this Agreement pursuant to A.R.S. § 36-104(7) and the City is authorized to enter into this Agreement pursuant to the Phoenix City Charter; and,

D. Whereas, the existing LARC facility located on property owned by the City at Sky Harbor International Airport must be relocated due to airport expansion; and,

C. Whereas, on July 2, 1996, the City and the Department entered into a Memorandum of Understanding to provide the conceptual framework for an Agreement to be entered into by the parties to set forth the construction, operation and maintenance obligations of the parties with respect to the LARC transition from its existing site to its new location.

THEREFORE, in consideration of the mutual covenants, terms and conditions contained herein, the parties agree as follows:

AGREEMENT

ARTICLE I. TERM

1.1 This Agreement shall become effective upon proper execution by the parties and upon the filing of this Agreement with the Arizona Secretary of State's Office and the City of Phoenix City Clerk's Office.

1.2 The term of this Agreement shall be for twenty years, commencing on the date that the Department has opened the LARC facility for full, continuous operations pursuant to the provisions of Article II, Section 2.1 hereunder.

1.3 The duration of this Agreement shall be subject to the provisions in Article X, Termination.

ARTICLE II. SCOPE OF SERVICES

Duties of the Department

2.1 Duties of the Department. During the term of this Agreement, the Department shall fulfill the obligations set forth below in this Section 2.1. For and in consideration of the other terms, conditions and covenants and agreements herein, the Department agrees as follows:

2.1.1 LARC Site. The Department has made available, and shall continue to make available, to the City, during the term of the Agreement, and any extensions thereto, a site of approximate three (3) acres in size on the grounds of the Arizona State Hospital at 28th and Van Buren Streets in Phoenix, as further defined in Exhibit A. Attached.

2.1.2 Operations. The Department shall either directly or through its contractor(s) or sub-contractor(s) ("service providers") provide for the operation and maintenance of the LARC facility inclusive of the LARC patrol ("Patrol") operation, the intake detention ("Intake") operation, and all other facility components necessary for the effective implementation of a local alcoholism reception center as contemplated by Article 2, Chapter 18, Title 36 of the Arizona Revised Statutes. Services to be provided by the Department and its service providers are as follows:

2.1.2.1 Reception and Intake of Clientele. The Department and its service providers will provide for the reception and intake of individuals referred to the LARC facility for evaluation and treatment by the City of Phoenix Police Department and Fire Department.

2.1.2.2 Patrol Services. The Patrol shall be staffed by a licensed Emergency Medical Technician (EMT). The Patrol shall operate in two contiguous geographical areas within the City of Phoenix: Area A bounded by 19th Avenue on the west, 24th Street on the east, Palm Lane on the north, and Buckeye Road on the south; and Area B bounded by 24th Street on the west, 40th Street on the east, Interstate Loop 202 on the north, and Washington Street on the south. The Patrol shall operate ninety-six (96) hours per week, Monday through Saturday. City holidays excepted, from 0900 to 0130 hours. Average response times for the Patrol shall not exceed fifteen (15) minutes from the time of dispatch to arrival at the service location.

2.1.2.3 Intake Detention Services. The Intake Detention Service shall be operated twenty-four (24) hours per day seven (7) days per week, holidays included, for triage, evaluation and appropriate treatment of clientele incapacitated by alcohol and drugs as provided by State law. The Intake service shall be staffed by a registered nurse and an appropriate number of staff attendants to process the volume of clientele admitted. A physician shall oversee the medical detoxification services provided.

2.1.2.4 Client Capacity. Client capacity shall be limited to the space available for such purposes within the confines of the existing 20,000 square foot structure.

2.1.2.5 Discharge of Clientele. The Department and its service providers shall adopt appropriate discharge procedures and shall employ reasonable efforts to minimize the unsupervised on site release directly into the Van Buren Street environs of clients who do not reside or work in the Van Buren Street area.

2.1.2.6 Community Relations. The Department and its service providers shall maintain a liaison with community civic and neighborhood organizations and provide and maintain a public telephone contact to the LARC facility. The Department shall make space available for an office for use by the Phoenix Police Department.

2.1.3 Maintenance. The Department shall either directly or through its service providers provide for the maintenance of the LARC facility and related equipment as follows:

2.1.3.1 Furnishings and Equipment. The Department will provide for the capital acquisition costs for furnishings and equipment necessary to operate the LARC facility. Replacement of furnishings and equipment, with the exception of the LARC patrol vehicle, will be the responsibility of the Department. The Department shall maintain, repair or replace the furnishings and equipment so as to maintain a standard of maintenance and quality consistent with the normal customary practices of health care facilities in the Phoenix Metropolitan Area.

2.1.3.2 Building and Grounds Maintenance. Building and grounds maintenance, at a level consistent with the standards and practice of the State of Arizona

and the City of Phoenix for care and maintenance of their public facilities, will be the responsibility of the Department. Building maintenance shall include janitorial services and repairs other than to major capital systems as described in section 3.1.1. of this agreement. The Department shall be responsible for repairs caused by the sole negligence of the Department, its employees, contractors and clientele.

2.1.4 Service Changes. The Department shall provide the City with not less than sixty (60) calendar days prior notification of any proposed changes in the LARC Patrol operation (as identified in section 2.1.2.2. of this agreement), and obtain written approval from the Phoenix City Manager, or his designee, prior to implementation. City approval of proposed changes shall not be unreasonably withheld. The Department shall also provide the City with advance advisory notification of other significant changes proposed in the scope of work, program design and budget allocation for the LARC operation and maintenance as identified in section 2.1 of this agreement.

2.1.5 Obligations of Contract Providers. The Department shall require, and the recording of this Agreement as provided in Article I, Section 1.1, shall be construed to have provided actual and constructive notice hereof to all contractors of the Department, sub-contractors to such contractors and service providers to the Department that such contractors and providers shall be bound by all the LARC Operations and Maintenance obligations, standards and terms set forth in Section 2.1 of this Agreement.

Duties of the City

2.2 Duties of the City. During the term of this Agreement, the City shall fulfill the obligations set forth below in this Section 2.2. For and in consideration of the other terms, conditions and covenants and agreements herein, the City agrees to:

2.2.1 Facility Construction. The City shall design and construct, with Department approval, on the site provided by the Department, a LARC facility which shall provide a reception and intake detention room, detoxification rooms, a Patrol lounge, nurses stations, counseling offices, administrative offices, a dining room and kitchen, and appropriate additional service rooms, all within a structure of approximately 20,000 square feet. Site improvements including required parking areas, landscaping and lighting shall also be provided by the City. Ingress and egress to the site shall be restricted to Van Buren Street. The City has met, to the satisfaction of the Department, all the terms and conditions relating to the construction of the facility as provided in the MOU. The Department generally accepts the facility as constructed.

2.2.1.1 Warranties Against Material Defects in Building Construction. The Department accepts no responsibility for any error or omission in facility design review or defective construction work for the building and any capital improvements or repairs pursuant to sections 2.2.1.3 or 3.1.1. The City shall take any and all reasonable and necessary action to enforce compliance with any warranties against material defects in the

building construction, repairs or improvements during any applicable warranty period.

2.2.1.2 Removal of Liens. The City shall keep the premises free from any liens arising out of any work performed, materials furnished or obligations incurred by the City with respect to the construction or capital replacement to the LARC facility. In the event that the City shall not, within 10 days following the imposition of any such lien, cause the same to be released of record by payment or posting of a proper bond, the Department shall have, in addition to all other remedies provided herein by law, the right to cause the same to be released by such means as the Department shall deem proper, including the payment of the claim giving right to such lien. All such sums paid by the Department and all expenses incurred by the Department in connection therewith shall be payable by the City on demand with interest at 10% per annum.

2.2.1.3. Destruction of the Premises. In the event the facility is totally destroyed, this agreement shall terminate. In the event the premises are partially destroyed, the City, with reasonable promptness and dispatch, shall repair and rebuild same within ninety (90) working days.

2.2.2 LARC Patrol Vehicle(s). The City will provide, for the term of this Agreement, the capital acquisition cost and replacement cost of the LARC patrol vehicle(s). The City will provide necessary vehicle, operation, fuel, maintenance and repairs, exclusive of vehicle operators. Annual vehicle operation, fuel, maintenance and repair costs of the LARC patrol vehicle(s) shall be paid for from the City's annual contribution towards the LARC operation as described in section 3.3.1 of this agreement. The City shall maintain, repair or replace the LARC vehicle(s) so as to maintain a standard of maintenance and quality consistent with that of other non-emergency vehicles used to transport the disabled or handicapped in the Phoenix Metropolitan Area.

ARTICLE III. FUNDING

As additional mutual consideration for the obligations undertaken by the parties hereto, the Department and City agree as follows:

3.1 Capital Construction Funding. The parties acknowledge that the City has paid the full cost of construction of the facility, in the approximate amount of Two Million Five Hundred Fifty Thousand (\$2,550,000.00) Dollars, (pending completion of the final audit of the construction expenditures), including site improvements as described in Article II, Section 2.2.1. The parties further acknowledge that the City has funded such costs through its capital debt program, resulting in an approximate annual debt service obligation of Two Hundred Thirteen Thousand (\$213,000.00) Dollars for a period of twenty (20) years commencing with the first debt payment on July 1, 1997. The Department agrees to make annual lease payments to the City a sum equal to fifty-nine (59%) percent of said annual debt service amount, but not more than One Hundred Twenty Five Thousand Seven Hundred (\$125,700.00) Dollars, on or before July 1 of each year commencing July 1, 1997

as its reimbursement share of such construction costs, until such original City debt obligation has been fully paid. The dollar figures set forth herein, other than the Department's maximum annual lease payment amount, are subject to adjustment, maintaining the percentage of contribution level set forth herein, caused by any actual adjustment of cost or debt figures.

3.1.1 Capital Replacement Funding. Replacement of major capital items at the LARC facility including, but not limited to the heating, ventilation and air-conditioning (HVAC) system, plumbing system, electrical system, roofing system, and parking lot paving shall be the joint responsibility of the City and the Department in the ratio set forth above in Section 3.1, Capital Construction Funding. The City acknowledges that, as of the date of execution of this Agreement, the Department has not been appropriated funds pursuant to A.R.S. § 35-173 for this purpose. The Department will through its normal budgetary process, seek such funding should the need for Capital Replacement Funding be required; however, the Department's obligation is limited by paragraph 3.4 of this Agreement.

3.2 Application of Net Rental Income to Debt Service/Lease Payments. The Department and City further agree to provide a reserve area for future expansion for detoxification services. The reserve area shall be used in the interim for a meeting hall. The meeting hall is intended to be self-supporting, inclusive of attributed annual debt service and operation and maintenance expense, through rental income. The Department agrees that it or any of its contract operator or operators will schedule the use of the meeting hall, collect rent from users, and provide for the operation and maintenance of the meeting hall. Annual net rental income, after providing operation and maintenance expense for the meeting hall, shall be applied to reduce the respective debt service/lease payment obligations of the parties as set forth in Section 3.1.

3.3 Annual Operation and Maintenance. The annual LARC Operation and Maintenance expense incurred for the LARC facility shall be provided by the Department with the support of an annual contribution by the City as set forth below:

3.3.1 Initial LARC Operations: City Contribution. For the period commencing April 1, 1997, or on such date that the Department or its service providers commence operations, and ending June 30, 1997, the City shall pay the Department, on or before June 30, 1997, the sum of One Hundred Forty Eight Thousand Seven Hundred Fifty (\$148,750.00) Dollars, prorated from the date operations commence. For the period commencing July 1, 1997 and ending June 30, 1998, the City shall pay the Department, on or before September 30, 1997, December 31, 1997, March 31, 1998, and June 30, 1998, the sum of One Hundred Forty Eight Thousand Seven Hundred Fifty (\$148,750.00) Dollars. The total annual contribution by the City for LARC Operations shall be the sum of Five Hundred Ninety Five Thousand (\$595,000.00) Dollars for the 1997-1998 fiscal year. All the foregoing shall be applied to LARC Operations.

3.3.2 Subsequent Annual City LARC Operations Payments. The level of annual contribution by the City for LARC Operations shall be reviewed and agreed upon by the parties, but shall not cause any reduction of the City's contribution from the 1997-1998 level set forth in section 3.3.1. above, unless justified by a proportionate reduction in services as described in section 2.1.2., or as reflective of a general reduction in City of Phoenix annual General Fund budget appropriation. Subsequent payments shall be due and payable on September 30, December 31, March 31 and June 30 of the fiscal year in which incurred.

3.4 Annual Appropriation. The parties acknowledge that both are governed by provisions of law (including A.R.S. § 35-173 relating to capital expenditures by the Department) that the expenditure of any funds are subject to the appropriation of such funds by the Arizona State Legislature for the Department and the Phoenix City Council for the City. The parties agree to make annual budget requests to the respective funding authorities for appropriations to carry out the respective responsibilities of the parties to this Agreement.

ARTICLE IV. RECORD KEEPING AND REPORTS

4.1 Record Keeping. The Department agrees to keep in a form acceptable to both parties, adequate records of the LARC operation pursuant to this Agreement. The content of such records shall be acceptable to both parties and shall include, but not be limited to: financial operations; clientele demographics, service type, duration, disposition, and recidivism; Patrol operations; and, community complaints, grievances and disposition. The Department further agrees that the records shall be kept in such a way as to provide ready access, review and evaluation by the parties. The Department agrees to maintain all records required for a period of at least five (5) years.

4.2 Reports. The Department will provide or cause to be provided by any and all of its contract service providers, quarterly operating reports and an annual (fiscal year) report to the City showing financial and program operations in such details and formats as shall be agreed upon by the parties.

ARTICLE V. INSURANCE

5.1 General Liability Coverage. The parties acknowledge that the Department and the City are, at the time of the execution of this Agreement, self-insured for third party liability, in whole or in part, pursuant to statutory authority. The parties agree that the general liability coverage and professional liability coverage afforded by these insurance/self-insurance programs are sufficient to meet the purposes of this agreement. The Department will require its contract operator to purchase and maintain adequate general liability coverage and professional liability coverage insuring against claims for bodily injury, personal injury, or property damage arising from the operation of the LARC. The Department shall further require its contractor to name the City as an additional insured on any and all such

insurance policies. If either the Department or the City substitute insurance carrier provided insurance for existing self-insurance, such party shall immediately notify the other party, and shall specifically list the other party as a covered or insured party, for the activities covered by this Agreement or any extensions thereto, with such insurance provider.

5.2 Casualty Insurance Coverage. The City, according to its customary practices on other City-owned facilities, will carry adequate casualty insurance coverage insuring against claims for bodily injury, personal injury or property damage arising from the condition of the LARC building structure and any capital improvements or repairs provided pursuant to section 2.2.1.3 or 3.1.1. In addition, the City, either through self-insurance or a policy of insurance purchased from a third-party, insure against damages and loss to the structure as the result of accident, fire, or other natural disasters.

ARTICLE VI. INDEMNIFICATION

6.1 Mutual Indemnification. To the extent permissible under A.R.S. § 41-621, et seq. and 11-981 and not prohibited by A.R.S. § 35-154, each party does hereby covenant and agree to indemnify, defend and hold harmless the other party, its officers, employees, contractees and agents from and against any and all suits, actions, legal or administrative proceedings, claims demands of damages of any kind or nature relating to this agreement which are the result of any act or omission of that party, its officers, employees, contractees, agents and anyone acting under its direction or control, whether intentional or negligent, in connection with or incident to this Agreement.

6.2 Department's Indemnification. Without limiting the rights of any party under Section 6.1 of this agreement, the Department does hereby indemnify and hold harmless the City from any and all liabilities incurred by City which arise from the performance (or failure to perform) by the Department of its obligations under this Agreement, including any liability arising from the insufficiency or inadequacy of services provided by, through, or at the direction of the Department.

6.3 City's Indemnification. Without limiting the rights of any party under section 6.1 of this agreement, the City does hereby indemnify and hold harmless the Department from any and all liabilities incurred by the Department which arise from the construction, structural condition of, or improvements to the LARC building. The City is not responsible for any liability which arises solely from improvements or alterations to the structure or surrounding grounds by the Department, its employees or contractors or from the failure by the Department to maintain the structure or the grounds as required by section 2.1.3.2. of this agreement.

ARTICLE VII. EXTENSIONS AND AMENDMENTS

7.1 Amendment. This Agreement contains the entire agreement of the parties and may not be changed orally. Any change, modification or extension of this Agreement must

be in the form of a written amendment to this Agreement signed by duly authorized representatives of both parties hereto and, in the case of the City, attested to by the City Clerk.

7.2 Notices. Notice of any amendment proposed by the Department or the City shall be submitted to the other party at least sixty (60) days before its proposed effective date.

ARTICLE VIII. NON-DISCRIMINATION

It is understood that each of the parties shall comply with the provisions of State Executive Order 75-5, Title VI of the Civil Rights Act of 1964, as amended. Section 504 of the Rehabilitation Act of 1973, as amended, and the Americans With Disability Act.

ARTICLE IX. TERMINATION

9.1 Termination for Cause. In the event of a material breach of any of the provisions of this Agreement, the non-defaulting party may terminate this Agreement by delivering written notice to the defaulting party specifically setting forth the nature of the breach. Upon being served with such notice, the defaulting party shall have ninety (90) days in which to cure said breach. If said breach has not been cured within the ninety (90) days, then this Agreement shall be deemed terminated as set forth in the notice, and both parties hereto shall perform their respective obligations up to the effective date of such termination.

9.2 Termination for Non-Appropriation. The Agreement may be terminated by either party for failure of appropriation by the other party. Such failure shall be defined as follows:

9.2.1 Department Non-Appropriation. Failure of appropriation by the Department shall occur if the State Legislature explicitly reduces the appropriation to the Department (or any successor State agency charged with responsibility for drug and alcohol abuse programs as presently provided in Chapter 18, Title 36, Arizona Revised Statutes) for the LARC program such that any remaining appropriation is insufficient to fund the responsibilities assumed by the Department under the Agreement for any fiscal year. In the event of a State failure of appropriation, this agreement shall terminate upon adjournment of a Regular Session of the Legislature, sine die, without providing for such appropriation.

9.2.2 City Non-Appropriation. Failure of appropriation by the City shall occur if the City Council explicitly reduces the appropriation for the LARC program such that any remaining appropriation is insufficient to fund the responsibilities assumed by the City under the Agreement for any fiscal year. In the event of a City failure of appropriation, this agreement shall terminate upon final adoption of the annual budget by the Phoenix City Council, without providing for such appropriation.

9.3 Termination Under State Law. The parties further acknowledge that any agreement between them is subject to cancellation by either party under the provisions of A.R.S. § 38-511.

9.4 Disposition of Property Upon Termination or Expiration. Upon the termination or expiration of this agreement, property purchased or constructed as a result of this agreement shall be disposed of in the following manner:

9.4.1. The LARC Building. The building, including any improvements to the building, constructed by the City for use as the LARC facility is owned by the City and shall remain the property of the City upon the termination or expiration of this Agreement. The City shall notify the Department within sixty (60) days from the date of termination or expiration of the City's intention to:

(1) Continue Use: The City shall have the right to continue the LARC operations, consistent with the charitable trust applicable to the Arizona State Hospital (ASH) property, and the Department shall allow the City reasonable access to the facility. The continued use by the City shall be deemed adequate consideration for the use of the ASH property so long as the City's cost of continued operation exceeds the fair rental value of the unimproved real estate.

(2) Remove the Structure: Within ninety (90) days of giving notice of election of this option, the City shall remove the structure including any additions or improvements from State property and restore the property to its preconstruction condition all at City expense.

In the event the City fails to provide timely notice of its intention to continue use consistent with subsection (1), or to remove the structure consistent with subsection (2), or upon the City's failure to comply with the material provisions of either subsection, the structure, including any additions and improvements, shall be deemed abandoned to the Department.

9.4.2. The LARC patrol vehicle(s). Any LARC patrol vehicles purchased by the City pursuant to this agreement shall be the property of the City. Any such vehicles remaining upon the termination or expiration of this agreement shall remain the property of the City and shall be for the sole use of the City.

9.4.3. Furnishings and Equipment. Any furnishings and equipment provided or purchased by the Department pursuant to this agreement shall be the property of the Department. Any such furnishings or equipment remaining upon the termination or expiration of this agreement shall remain the property of the Department and shall be for the sole use of the Department.

ARTICLE X. NOTICES

Any and all written notices required or permitted under this Agreement shall be given in writing and personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid, or by a recognized overnight delivery service, addressed as follows:

A. Notice to Department shall be addressed as follows:

James Griffith, Acting Director
Arizona Department of Health Services
1740 West Adams Street
Phoenix, AZ 85007

with copies to:

Rhonda Baldwin, Deputy Director
Division of Behavioral Health Services
2122 East Highland
Phoenix, AZ 85016

B. Notices to the City shall be addressed as follows:

Frank Fairbanks, City Manager
City of Phoenix
200 West Washington Street, 12th Floor
Phoenix, AZ 85003

with copies to:

Alton Washington, Director
Human Services Department
City of Phoenix
200 West Washington Street, 18th Floor
Phoenix, AZ 85003

Notice shall be deemed given upon hand or courier delivery or three (3) business days after deposit in the United States mail.

ARTICLE XI. MISCELLANEOUS

11.1 Statutory Obligations and Authority. Nothing in this Agreement shall be construed to increase or reduce the statutory obligations of the parties as they may exist,

with respect to the evaluation and treatment of persons impaired by alcoholism under the provisions of Article 2, Chapter 18, Title 36, Arizona Revised Statutes, or to relieve any other person or entity, governmental or otherwise, of any obligation existing under law.

11.2 Materiality. The parties agree that all of the conditions set forth herein are material to this Agreement and a breach of any condition is a breach of this Agreement.

11.3 Grammatical Terms. When used in this Agreement, the terms "include", "including" or "inclusive" shall mean without limitation by reason of the enumeration. Whenever the masculine gender has been used herein, the same shall include the feminine if the context so indicates. Also, the singular shall include the plural whenever the context indicates. The term "person" shall include an individual, corporation, limited liability company, partnership, trust, estate or any other entity. The words "herein", "hereof", "hereto", "hereunder" and other similar compounds of the word "here" when used in this Agreement shall refer to the entire Agreement and not to any particular provision, section or exhibit.

11.4 Performance Non-Waiver. The failure of either party to insist in any one or more instances upon the full and complete performance of any of the terms and provisions of this Agreement to be performed on the part of the other or to take any action permitted as a result thereof shall not be construed as a waiver or relinquishment of the right to insist upon full and complete performance of the same or any other covenant or condition either in the past or in the future. The acceptance by either party of sums less than may be due and owing at any time shall not be construed as an accord and satisfaction.

11.5 Captions. Captions and section headings used in this Agreement are for convenience of reference purposes only and shall not be used to define, limit or describe the scope or intent of this Agreement.

11.6 Construction. The substantive laws of Arizona (without reference to any choice of law principles) shall govern the interpretation, validity, performance and enforcement of this Agreement.

11.7 No Third Party Beneficiaries. Nothing in this Agreement is intended to create any third party beneficiary rights in any party and the Department and the City expressly state that this Agreement does not create any third party rights of enforcement.

11.8 Recitals. All recitals set forth above are fully incorporated in and made a part of the covenants of this Agreement by reference.

11.9 Further Instruments and Documents. Each party shall, promptly upon the written request of the other party, acknowledge and deliver to the other party all future instructions and assurances reasonably requested or appropriate to evidence or give effect

to the provisions of this agreement.

11.10 Counterparts. This Agreement may be executed in any number of counterparts, all such counterparts shall be deemed to constitute one and the same instrument, and each of said counterparts shall be deemed an original hereof.

11.11 Time Computation. If the last day of any time period stated herein shall fall on a Saturday, Sunday or legal holiday in the State of Arizona, then the duration of such time period shall be extended to that it shall end on the next succeeding day which is not a Saturday, Sunday or legal holiday. Time is of the essence of this Agreement.

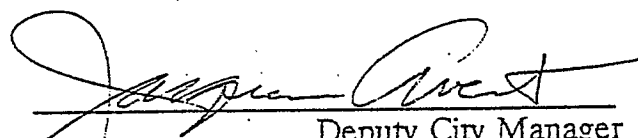
11.12 Mediation. In the event of a dispute regarding the scope or meaning of any provision of this Agreement, or non-compliance of any party with any provision of this Agreement, the parties shall meet and confer in an effort to resolve such dispute. In the absence of agreement on the subject, the parties may jointly submit their differences to non-binding mediation before a mutually acceptable person.

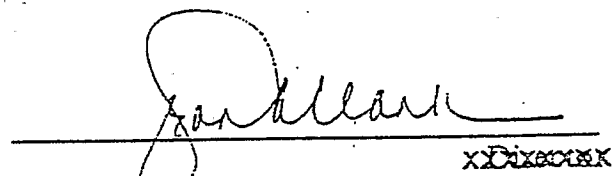
11.13 No Assignment. Except as expressly provided herein, no party may delegate or assign its rights or responsibilities under this Agreement and any purported assignment or delegation in violation of this provision shall be void.

IN WITNESS WHEREOF, the parties hereto execute this Agreement on this ____ day of _____, 1997.

CITY OF PHOENIX, A Municipal
Corporation, Frank Fairbanks
City Manager

ARIZONA DEPARTMENT OF
HEALTH SERVICES


Deputy City Manager


Jean A. Clark, CPPO, C.P.M., CPM
Procurement Administrator

ATTEST:


ACTING City Clerk



City of Phoenix

HUMAN SERVICES DEPARTMENT
INTERGOVERNMENTAL AGREEMENT (IGA)
AMENDMENT

Agreement# 81105



CONTRACTOR NAME (name & address)
Arizona Department of Health Services
ATTN: Robert Source, Assistant Director
150 N. 18th Avenue
Phoenix, AZ 85007

AMENDMENT #: 2
EFFECTIVE DATE OF AMENDMENT: July 1, 2010
SERVICE: Cost Share-Local Alcoholism Reception Center
(LARC Facility)

THE ORIGINAL INTERGOVERNMENTAL AGREEMENT IS AMENDED AS FOLLOWS:

The purpose of this amendment is to reduce funding, eliminate services, and suspend payment to the Capital Fund as follows:

1. Reduce funding for operations;
2. Eliminate the van pick-up service;
3. Temporarily suspend the City quarterly payments to the Permanent LARC Capital Replacement Fund (Fund).

Revision #1 -

Due to budgetary issues, the City is reducing the cash contribution to \$200,000 for operational costs.

Revision #2 -

The reduction in funding will eliminate van pick-up services and associated operating and maintenance costs with this service. Upon execution of this amendment, City will request the return of the two LARC vehicles from Community Bridges, Inc. to be delivered to the City's Salt River Service Yard.

Revision #3 -

Until such time the City's budgetary issues improve and funding is re-appropriated, the City will suspend quarterly payments to the Capital Replacement Fund. An amendment will be processed upon reinstatement of the City's portion to the Fund.

Signatures appear on Page 2 of this Amendment.

All the terms and conditions of the original contract not specifically modified herein or in conflict with this amendment shall remain unchanged and in full force and effect. This amendment shall become effective on the date of the last signature unless otherwise specified herein.

ARIZONA DEPARTMENT OF HEALTH SERVICES	CITY OF PHOENIX
<i>Christine Ruth</i>	<i>Gloria Hurtado</i>
SIGNATURE OF AUTHORIZED SIGNATOR	SIGNATURE OF AUTHORIZED SIGNATOR
<i>Christine Ruth</i>	GLORIA HURTADO
TYPED NAME	TYPED NAME
<i>Acting Chief Procurement Officer</i>	<i>KS</i> HUMAN SERVICES DIRECTOR
TITLE	TITLE
<i>7/19/10</i>	<i>8-9-2010</i>
DATE	DATE

IN ACCORDANCE WITH ARS §11-952, THIS IGA AMENDMENT HAS BEEN REVIEWED BY THE UNDERSIGNED WHO HAVE DETERMINED THAT THIS IGA AMENDMENT IS IN APPROPRIATE FORM AND WITHIN THE POWERS AND AUTHORITY GRANTED TO EACH RESPECTIVE PUBLIC BODY.

<i>[Signature]</i>	Approved as to form	<i>[Signature]</i>	<i>[Initials]</i>
PUBLIC AGENCY LEGAL COUNSEL	ACTING CITY ATTORNEY	<i>[Signature]</i>	
	CITY CLERK		DATE

